

## **An imminent into possibilities of Rural Entrepreneurship as a practicable Instrument for enlargement of tourism diligence**

**Rakshita M Allappanavar<sup>1</sup>**

Research Scholar

Department of Management Studies

Karnataka University Dharwad

Email:rakshitha.ma.23@gmail.com

**Dr N Ramanjaneyalu<sup>2</sup>**

Associate Professor

Karnataka University Dharwad

Email: **Email:n.ramulu@gmail.com**

### **Abstract:**

Rural development and entrepreneurship has become a major opportunity for people who were once a resident of the rural areas. The peace of mind and attraction towards the opportunity in rural areas has been a motivator for new and existing entrepreneurs. On the contrary it is also a fact that the majority of rural entrepreneurs is facing many problems due to non-availability of primary amenities in rural areas of developing country like India. The education and access to resources with technical and conceptual skill is making easy for starters to initiate. This paper attempts to make an insight view of opportunities for entrepreneurs in rural areas with regards to tourism in line with accommodation, hospitality, medical, beverages, easy access to transportation, entertainment, banking services, and leisure etc. Entrepreneurs may develop a business plan in accordance with opportunity driven by tourism to facilitate rural development. As such the study of rural entrepreneurship becomes more vital in the present context as it drives rural tourism

**Keywords:** Entrepreneurship, rural development, rural areas, opportunities, amenities, banking.

### **1. Introduction:**

#### **Rural Entrepreneurship and Development:**

Rural entrepreneurship is something emerging concept, Entrepreneurship is not easy to define, entrepreneurship primarily considered as innovation, and some considers it as risk taking. Entrepreneurship is an art of human minds which transforms ideas into reality with the investment and eagerness for success. Rural entrepreneurship is something which is very sophisticated but with greater opportunity in returns due to larger scope of inclusion. Most of

the rural areas in India are left isolated concerning non availability of basic amenities. It has the greater prospect to be a concrete bed for budding entrepreneurs to take up the challenge. A person who is willing to take risks or a person, who by exploiting market opportunities, eliminates disequilibrium between aggregate supply and aggregate demand or as one who owns and operates a business in rural areas with a smaller investment has a greater scope in future. In reality it is both risks taking as well as innovation. Rural entrepreneurs are those who carry out entrepreneurial activities with a vision to transform the rural economic sector and to bridge a gap between the urban areas thus contributing to the inclusive growth of the country. India needs much more investment into the rural development industry and entrepreneurship will play a vital role in unleashing the dreams of the country to achieve sustainable growth.

## **II. Rural Entrepreneurship in India:**

The one who can drive for rural entrepreneurship in India are the people really interested in setting up a new ventures or shifting it to new locations. People who were once part of rural area and the one who stays in rural areas has the greater scope for attracting investment and contributing to the development. Though their efforts need to be recognized yet much more needs to be done to reverse the direction of movement of people, i.e. to attract people in the rural areas. This is possible when young people consider rural areas as places of opportunities. There exists inadequacies in rural areas but as a citizen of India we must have a balance investment to achieve balanced growth for sustainable development. This can happen only when one sees the reality of the rural areas. With time urban areas grows fast in pace leaving behind a big gap that takes years of time to fulfil it. Young minds possess the potential to exploit the opportunity in rural areas as their initiative which has greater potential for growth. An area of tourism in rural areas itself provides the basis for more opportunities for budding entrepreneurs.

### **Major Objectives of present Study:**

1. To review past literature related to rural entrepreneurship in India and abroad and Rural Entrepreneurship in changing Environment
2. To understand tourism and its scope for entrepreneurship in rural areas
3. To study various challenges faced by Rural Entrepreneurship in India

4. To understand different Problems of Rural Entrepreneurship in India
5. To ascertain the significance of present Scenario of use of Incubators in rural areas

**Methodology:** The present study is based on secondary data. The data is collected from books, journals and websites.

### **Review of literature:**

**Dabson, 2005** has identified four principal components of a successful entrepreneurship development strategy that are: there has to be a community culture of support for entrepreneurs, the strategy has to be entrepreneur-focused, a systems orientation has to be central to the strategy, and make available funding for innovative financing models.

**Nandanwar, 2011**, Entrepreneurship in rural areas is finding a unique blend of resources, either inside or outside of agriculture. The economic goals of an entrepreneur and the social goals of rural development are more strongly interlinked than in urban areas and relatively have large impact on a rural community.

**Santhi and Kumar, 2011** mentioned entrepreneur is a businessperson who not only conceives and organizes ventures but also frequently takes risks in doing so. Not all independent business people are true entrepreneurs, and not all entrepreneurs are created equal.

**Saxena, 2012**, rural entrepreneurship implies entrepreneurship emerging in rural areas. Institutions and individuals promoting rural development now see entrepreneurship as a strategic development intervention that could accelerate the rural development process. To overcome these challenges and promote rural entrepreneurship, support roles are required. Such as: Infrastructural development by the government to increase the possibility for business service provider and industrial sector to enhance the entrepreneurship of women, Micro finance assistance by government to rural women in larger scale.

### **III. Tourism and its scope for entrepreneurship in rural areas:**

Tourism drives the concrete bed for growth in the rural areas compared to any other means. It brings the variety of opportunities which can be used as a tool to cater the needs of rural areas

and to develop it friendly for the tourists. Thus contributes to the variety of services to offer for the people. Some important aspects considered during are:

### **1. Growth and employment:**

Generally, GDP per capita in rural regions is lower than in urban areas. However, the growth in the GDP per capita is higher in rural areas than in urban areas. Unfortunately, this growing GDP has not translated into new jobs. As the primary sector continues to decline, there is a need to transform the economic structure of rural areas. The tertiary sector, particularly the tourism industry, is considered to have become the main driver for growth and employment.

### **2. Depopulation and a declining service level:**

Rural demographics have also been changing. Although a few rural areas are benefiting from the arrival of more affluent, mobile people choosing to move from urban centres to rural locations, most rural areas suffer from depopulation, particularly among the young and the economically active. Rural areas suffer from ageing demography, they have inhabitants with relatively low educational attainment, and mismatches exist between the supply of education and demand in the economy. The active population is also declining in rural areas, accompanied by a reduction in public services, which in turn has a detrimental effect on the sustainability of local communities and on future economic growth.

### **3. Transport and communications infrastructure:**

Improvement in communication and transportation facilities will improve the number of people to avail services. People need to have easy access so that they reaching destinations becomes easier and more friendly.

### **4. Access to information, advice and business services:**

Information about the destinations and scenic beauties and guide on their travels can be enhanced to attract the tourists. Such will lead to more sophisticated means than it was before for the prospect.

### **5. Access to finance:**

Government of India ambitious plan to include all financially and this service opportunity in turn becomes a business opportunity. Especially during travel people need more support of

finance so opportunities lie in this area and entrepreneurs can take up the subject as a business opportunity.

#### **6. Institutional environment:**

Businesses need to be certain in their offerings to the people and it must have a better support. Entrepreneurs must develop a strong network and build a system to support their opportunity.

### **IV. Challenges faced by Rural Entrepreneurship in India:**

**Family Challenges:** Convincing to opt for business over job is not an easy task for an individual. The first thing compared is – Will you make more money in the business of your choice or as a successor of family business. This is where it becomes almost impossible to convince that you can generate more cash with your passion than doing what your Dad is doing?

**Social Challenges:** Family challenges are always at the top because that is what matter the most but at times social challenges also are very important. Let us say you and your friend graduated at the same time. You opted for entrepreneurship and your friend opted for a job. He now has a flat, car and what not because he could easily get those with a bank loan but you still have nothing to show off and this is where the challenge comes.

**Technological Challenges:** Indian education system lags too much from the Job industry as a whole but then it lags even more when it comes to online entrepreneurship. What technology would be ideal and how to use that technology effectively?

**Financial Challenges:** (Difficulty in borrowing fund): Financial challenges are a lot different in India especially for online entrepreneurs. When you are starting out as an entrepreneur you don't opt for venture funding but try to go to funding for small to medium business people. Many such non-technical business people don't understand the online business models as a whole and so getting an initial business funding from them becomes challenging. The other option you can think of is a loan but bank loan is not at all an option in India for new online entrepreneurs.

**Policy Challenges:** Now and then there is lots of changes in the policies to change in the government. Problems of TRIPS and TRIMS, Problems of raising equity capital, Problems of

availing raw-materials, Problems of obsolescence of indigenous technology Increased pollutions Ecological imbalanced and Exploitation of small and poor countries etc.

#### **A. Challenges for Rural Entrepreneurs:**

- a. Growth of Mall Culture
- b. Poor Assistance
- c. Power Failure
- d. Lack of Technical know how
- e. Capacity Utilization
- f. Infrastructure Sickness

#### **B. Opportunities for Rural Entrepreneurs:**

- a. Crashed Scheme for Rural Development
- b. Food for Work Program
- c. National Rural Employment Program
- d. Regional Rural Development Centres
- e. Entrepreneurship Development Institute of India
- f. Bank of Technology
- g. Rural Innovation Funding
- h. Social Rural Entrepreneurship.

#### **V. Problems of Rural Entrepreneurship:**

##### **a. Financial Problems:**

Financial problems or financial pressure is a situation where money worries are causing you stress. Rural entrepreneurs are facing hard financial times and the impact on mental health can be significant. These problems can seem impossible to overcome, but you can get help and take steps to improve your situation.

##### **b. Marketing Problems:**

Marketing problems are considered as such which will have impact on revenue of the firm. It has to be dealt with utmost care and it may in turn pump in desired revenue if it is managed effectively.

### **c. Management and Human Resource Problems:**

Management issues are common in any organization. Entrepreneurs need to be down to root of such to handle effectively. Problems with human resources and management must not affect the organization. Entrepreneur's leadership skills and better handling of concerns will take business to a greater height.

### **Present Scenario of use of Incubators in rural areas:**

Incubators in a rural area can be designed for a number of purposes to:

1. Encourage skilled and professional people who have left the community to come back to the region to start new companies
2. Attract to the area, laid-off skilled labour from nearby town
3. Promote specific types of businesses;
4. Nurture a pool of potential growth enterprises through equity investments;
5. Meet particular local employment needs;
6. Help develop flexible manufacturing networks of co-operatives and other manufacturing businesses;
7. Develop and produce a particular product that none of the firms could manufacture alone;
8. Foster greater access to capital for start-up firms
9. Intensify training programmes to build the vocational skills of its members;
10. Provide job opportunities for high-tech graduates; and
11. Develop ways by which technical engineering and management expertise from outside the enterprise can help start-ups to develop, diversify product lines and markets and expand.

### **Conclusion:**

Development of rural area plays an important role in the national economy. Rural entrepreneurship is important not only as a means of generating employment opportunities in the rural areas with low capital cost and raising the real income of the people, but also its contribution to the development of tourism and other businesses. Without rural entrepreneurship, it would not be easy to solve the problem of unemployment in rural areas. Rural entrepreneurship serves as a tool for the abolition of poverty, migration, economic disparity, unemployment and to develop rural areas and backward regions. Thus, tourism

sector entrepreneurship opportunities can drive for the sustainable growth. Rural entrepreneurship finds it difficult to take off is due to lack of capital accumulation, risk taking and innovation. The rural development programs should combine infrastructure development, education, health services, investment in agriculture and the promotion of rural non-farm activities in which women and rural population can engage themselves. Rural entrepreneurship is the way of converting developing country into developed nation. Promotion of rural entrepreneurship is extremely important in the context of producing gainful employment and reducing the widening disparities between the rural and urban. Monitoring rural development programmes by supplying right information at the right time, providing timely and adequate credit and continuous motivation of bankers, panchayats union leaders and voluntary service organizations will lead to the development of rural entrepreneurship.

### References:

1. Kishore Choudhary. (2011), Effect of Globalization on Rural Entrepreneurship in India, Half Yearly Global Economic Research Journal, ISSN 2249- 4081, Vol. I, Issue, pp. 88-92.
2. Nandanwar Kalpana P. (2011), Role of Rural Entrepreneurship in Rural Development, International Referred Research Journal, ISSN- 0974-2832, Vol. II, ISSUE-26, March.
3. Santhi N. and Rajesh Kumar S. (2011), Entrepreneurship Challenges and Opportunities in India, Bonfring International Journal of Industrial Engineering and Management Science, Vol. 1, Special Issue, December.
4. Saxena Sandeep. (2012), Problems Faced By Rural Entrepreneurs and Remedies to Solve It, Journal of Business and Management, ISSN 2278-487X, Vol. 3, Issue 1, July-August.
5. Ahirrao Jitendra. (2013), Enterpreneurship and Rural Women in India, New Century, New Delhi.
6. Saxena Sandeep. (2012), Problems Faced By Rural Entrepreneurs and Remedies to Solve It, Journal of Business and Management, ISSN 2278-487X, Vol. 3, Issue 1, July-August

7. Mehta, A. (2011), “Rural Entrepreneurship – A Conceptual Understanding with Special Reference to Small Business in Rural India”, *Elixir Marketing*, Vol. 36
8. Nandanwar Kalpana P. (2011), Role of Rural Entrepreneurship in Rural Development, International Referred Research Journal, ISSN- 0974-2832, Vol. II, ISSUE-26 and March.
9. Sharma, Swati and Vyas, Divya (2011), “Entrepreneurship in Rural India – A Need Analysis”, *International Journal of Business Economics and Management Research*, Volume 2, Issue 4, April
10. [www.iosrjournals.org](http://www.iosrjournals.org)
11. <http://www.fao.org/docrep/W6882e/w6882e02.htm>
12. <http://www.scribd.com/doc/26661470/Rural-Entrepreneurship-in-India>
13. <http://www.publishyourarticles.net/eng/articles/what-are-the-problems-faced-in-growth-of-rural-entrepreneurs-in-india>

\*\*\*\*\*